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EXAMINER	
HAVAN, THU THAO	
ART UNIT	PAPER NUMBER
3691	

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Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Office Action Summary	Application No.	Applicant(s)	
	09/587,619	COPPOLA, JAMES P.	
	Examiner	Art Unit	
	Thu Thao Havan	3691	

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *28 February 2007*.

2a)☒ This action is **FINAL**. 2b)☐ This action is non-final.

3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1-21* is/are pending in the application.

4a) Of the above claim(s) _____ is/are withdrawn from consideration.

5)☐ Claim(s) _____ is/are allowed.

6)☒ Claim(s) *1-21* is/are rejected.

7)☐ Claim(s) _____ is/are objected to.

8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.

10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.

Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).

Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).

11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).

a)☐ All b)☐ Some * c)☐ None of:

1.☐ Certified copies of the priority documents have been received.

2.☐ Certified copies of the priority documents have been received in Application No. _____.

3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

1) ☐ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☐ Information Disclosure Statement(s) (PTO/SB/08) Paper No(s)/Mail Date _____.
4) ☐ Interview Summary (PTO-413) Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Response to Amendment

Claims 1-21 are pending. This action is in response to the remarks received February 28, 2007.

Response to Arguments

The rejection of claims 1-21 under 35 U.S.C. 103(a) as being unpatentable by Sandretto (US 5,812,988) and Rotella (US 4,677,933) is maintained.

Upon a closer examination, Applicant's arguments filed February 28, 2007 have been fully considered but they are not persuasive.

In response to the arguments concerning the previously rejected claims the following comments are made:

Applicant alleges that the prior art made of record fails to teach storing a number of shares or contracts. The examiner disagrees with applicant's representative since Sandretto teaches storing a number of shares or contracts (col. 15, lines 23-51; col. 9, lines 25-30; col. 5, lines 15-19; figs. 1-1a, 8 and 2-4). Sandretto discloses in Block 480 there is stored a risk measure for ASSET 1 that is determined by regressing the n simulated asset returns of Block 390 against the n simulated index returns of Block 470. Similarly, in Block 490 there is stored the risk measure for ASSET 2 which is similarly determined by regressing the index returns of Block 420 against the n index returns of Block 470, and in Block 500 there is stored the risk measure for ASSET i which is determined by regressing the returns from Block 450, corresponding to ASSET i,

against the index returns of Block 470. Thus, the asset corresponds to the number of shares/contracts.

In addition, Applicant alleges that the prior art made of record fails to teach displaying a plurality of risk scenarios corresponding to the plurality of selected size risk values, the displaying step including displaying the number of shares or contracts corresponding to each of the plurality of size risk values. The examiner disagrees with applicant's representative since Sandretto teaches displaying a plurality of risk scenarios corresponding to the plurality of selected size risk values, the displaying step including displaying the number of shares or contracts corresponding to each of the plurality of size risk values (col. 15, lines 53-67; figs. 11-13). Sandretto discloses the programmed computer is interactive with the user and transforms certain input data signals, generated, for example, by keystrokes on the keyboard, into different electrical signals during execution of the program, and finally providing output electrical signals corresponding to the output risk measure as determined in the computer. These output risk measures are provided on the output device such as display 7. From these output risk measures, a portfolio is created by buying and/or selling assets.

With regards to the claims rejected as taught by Sandretto and Rotella, the examiner would like to point out that the reference teaches the claimed limitations and thus provides adequate support for the claimed limitations. Therefore, the examiner maintains that Sandretto and Rotella taught the claimed limitations.

Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

Claims **1-21** are rejected under 35 U.S.C. 103(a) as being unpatentable over Sandretto (US 5,812,988) in view of Rotella (US 4,677,933).

Re claims **1, 10, 19,** and **20-21**, Sandretto teaches a method for managing portfolio risk on a computer system (col. 12, lines 24-27; col. 9, lines 25-30; col. 4, lines 35-40; abstract; Sandretto discloses risky Investments in stock portfolios either in an individual asset or in an index), comprising:

storing a plurality of parameters associated with an investment instrument on a computer-readable medium (col. 15, lines 23-51; figs. 1-1a), the parameters including an identifier, a market price, and a number of shares or contracts (col. 9, lines 25-30; col. 5, lines 15-19; figs. 8 and 2-4; Sandretto discloses actual market prices for those individual assets and number of shares of stock outstanding);

determining a point risk value, the point risk value comprising an intermediate value multiplied by the number of shares or contracts, the intermediate value comprising the market price minus the stop-loss price for a long transaction or the market price plus the stop-loss price for a short transaction (col. 20, line 52 to col. 21, line 67; figs. 2-10; Sandretto discloses the mathematical steps for determining a point risk value in relation to individual assets in a market price);

determining a number of shares or contracts associated with the point risk value for a selected size risk value, the number determined by multiplying the selected size risk value by the equity value and dividing by the point risk value (figs. 2-10);

repeating the step of determining a number of shares or contracts for a plurality of selected size risk values (col. 8, line 60 to col. 10, line 67; figs. 2-5 and 10; Sandretto discloses the process are repeated until the risk measure .beta. used to determine the discount rate approximates to desired accuracy, the risk measure .beta. determined subsequently in the process); and

displaying a plurality of risk scenarios corresponding to the plurality of selected size risk values, the displaying step including displaying the number of shares or contracts corresponding to each of the plurality of size risk values (col. 15, lines 53-67; figs. 11-13).

However, Sandretto does not explicitly teach a stop-loss price. On the other hand, Rotella discloses a stop-loss price when he discloses stock price tracking that permits tracking of stop loss orders for a multitude of stocks (col. 1, lines 5-67). Rotella discloses stock price tracking having greater flexibility in monitoring stop loss orders by placing advanced orders. He discloses the lever means for monitoring a stock price to determine when to buy, sell or retain a stock. Thus, it would have been obvious to one of ordinary skill in the art to track a stop-loss price by monitoring the stocks so that Investors in the stock market are continuously aware of the price of their stocks in order to determine what further action to take, that is, whether to buy, sell or hold onto the stocks as discloses in Rotella.

Re claims **2** and **11**, Sandretto teaches determining a market value associated with each of the plurality of risk scenarios and displaying the market values (col. 3, lines 25-38; fig. 8).

Re claims **3** and **12**, Sandretto teaches storing the plurality of parameters associated with a plurality of investment instruments (col. 15, lines 23-51; figs. 1-4);

storing a total equity value for the portfolio (col. 34, lines 5-11; figs. 9 and 2-4; Sandretto discloses equity asset in relation to the portfolio of an individual assets);

determining for each investment instrument a risk value, the risk value comprising an intermediate value of the market price minus the stop-loss price for a long transaction or the market price plus the stop-loss price for a short transaction, the intermediate value multiplied by the number of shares or contracts associated with each investment instrument (col. 20, line 52 to col. 21, line 67; figs. 2-10; Sandretto discloses the mathematical steps for determining a point risk value in relation to individual assets in a market price);

determining a sum of risk values of the plurality of investment instruments, the sum comprising a planned risk value (abstract; figs. 2-5);

determining the equity value by subtracting the planned risk value from the total equity value for the portfolio (figs. 2-5); and

displaying the equity value (fig. 5; Sandretto outputs the result that corresponds to the claimed limitation of displaying).

Re claims **4** and **13**, Sandretto teaches determining a ratio of the planned risk value to the total equity value and displaying the ratio (col. 27, lines 38-64; col. 15, lines 53-55; col. 27, lines 38-64).

Re claims **5** and **14**, Sandretto teaches storing a user's buying power value and displaying the user's buying power value (col. 16, lines 1-30; figs. 2-5). Sandretto discloses a portfolio is created by buying and/or selling assets by an individual.

Re claims **6** and **15**, Sandretto teaches determining a plurality of market values, each market value associated with each of the plurality of risk scenarios and displaying a plurality of new buying power values, each new buying power value corresponding to the user's buying power minus each of the plurality of market values (figs. 3-5).

Re claims **7** and **16**, Sandretto teaches storing a commission and a skid associated with the investment and in the step of determining the point risk, the intermediate value comprises the market price minus the stop-loss price plus the commission plus the skid for a long transaction, or the intermediate value comprises the market price plus the stop-loss price minus the commission minus the skid for a short transaction (col. 20, line 52 to col. 21, line 67; figs. 6-11). Sandretto discloses the mathematical steps for determining a point risk value in relation to individual assets in a market price.

Re claims **8** and **17**, Sandretto teaches investment instruments includes stocks, mutual funds, options, futures, futures options, bonds, or mortgages (fig. 2). In figure 2, Sandretto discloses an investment instrument such as a bond.

Re claims **9** and **18**, Sandretto teaches computer system comprises a client server computer system (fig. 1a).

Conclusion

THIS ACTION IS MADE FINAL. Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Thu Thao Havan whose telephone number is (571) 272-8111. The examiner can normally be reached during her flexitime schedule.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Alexander Kalinowski can be reached on (571) 272-6771. The fax phone number for the organization where this application or proceeding is assigned is (571) 273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see http://pair-direct-uspto.gov. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at (866) 217-9197 (toll-free).

TTH
5/10/2007

ALEXANDER KALINOWSKI
SUPERVISORY PATENT EXAMINER